IMF report on poverty alleviation

4674. SHRI VIJAY J. DARDA : Will the Minister of FINANCE be pleased to state :

(a) whether Government are aware of the recent study done by IMF which has found that "Economic integration may actually increase the risk of financial crises in the developing world", which may damage vulnerable economies, raising poverty rates and destroying the environment; and

(b) whether IMF funded projects have resulted in lowering of poverty in India and if so, to what extent?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL) : (a) The Government is aware of a recent study by the IMF which found that there is as yet no clear and robust empirical proof that the positive effect of financial integration on growth is quantitatively significant. The study suggests that financial integration should be approached cautiously with good institutions and macroeconomic frameworks viewed as important.

(b) The question does not arise since the IMF does not provide any project related funds.

Flow of institutional credit to farmers in A.P.

4675. DR. DASARI NARAYANA RAO : Will the Minister of FINANCE be pleased to state :

(a) the details of the steps Government have taken to substantially step up flow of institutional credit to farmers in Andhra Pradesh and rest of the country; and

(b) the response of banking sector in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL) : (a) and (b) Reserve Bank of India (RBI) and National Bank for Agriculture and Rural Development (NABARD) have taken several measures for stepping up flow of credit for agriculture sector and its allied activities by the banking sector in the country including the State of Andhra Pradesh. These include :—

(i) Advising the banks to step up their direct lending to agriculture so as to achieve the target of 18 per cent of net bank credit;